

HOUSE SUBSTITUTE
FOR
HOUSE COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 989

AN ACT

2 To repeal sections 137.082 and 139.031, RSMo,
3 and to enact in lieu thereof two new sections
4 relating to property taxation.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI,
6 AS FOLLOWS:

7 Section A. Sections 137.082 and 139.031, RSMo, are repealed
8 and two new sections enacted in lieu thereof, to be known as
9 sections 137.082 and 139.031, to read as follows:

10 137.082. 1. Notwithstanding the provisions of sections
11 137.075 and 137.080, to the contrary, a building or other
12 structure classified as residential property pursuant to section
13 137.016, newly constructed and occupied on any parcel of real
14 property shall be assessed and taxed on such assessed valuation
15 as of the first day of the month following the date of occupancy
16 for the proportionate part of the remaining year at the tax rates
17 established for that year, in all taxing jurisdictions located in
18 the county adopting this section as provided in subsection 8 of
19 this section. Newly constructed residential property which has
20 never been occupied shall not be assessed as improved real
21 property until such occupancy or the first day of January of the
22 second year following the year in which construction of the
23 improvements was completed.

1 2. The assessor may consider a property residentially
2 occupied upon personal verification or when any two of the
3 following conditions have been met:

4 (1) An occupancy permit has been issued for the property;

5 (2) A deed transferring ownership from one party to another
6 has been filed with the recorder of deeds' office subsequent to
7 the date of the first permanent utility service;

8 (3) A utility company providing service in the county has
9 verified a transfer of service for property from one party to
10 another;

11 (4) The person or persons occupying the newly constructed
12 property has registered a change of address with any local, state
13 or federal governmental office or agency.

14 3. In implementing the provisions of this section, the
15 assessor may use occupancy permits, building permits, warranty
16 deeds, utility connection documents, including telephone
17 connections, or other official documents as may be necessary to
18 discover the existence of newly constructed properties. No
19 utility company shall refuse to provide verification monthly to
20 the assessor of a utility connection to a newly occupied single
21 family building or structure.

22 4. In the event that the assessment under subsections 1 and
23 2 of this section is not completed until after the deadline for
24 filing appeals in a given tax year, the owner of the newly
25 constructed property who is aggrieved by the assessment of the
26 property may appeal this assessment the following year to the
27 county board of equalization in accordance with chapter 138,
28 RSMo, and may pay any taxes under protest in accordance with

1 section 139.031, RSMo. The collector shall impound such
2 protested taxes and shall not disburse such taxes until
3 resolution of the appeal.

4 5. The increase in assessed valuation resulting from the
5 implementation of the provisions of this section shall be
6 considered new construction and improvements under the provisions
7 of this chapter.

8 6. In counties which adopt the provisions of subsections 1
9 to 7 of this section, an amount not to exceed ten percent of all
10 ad valorem property tax collections on newly constructed and
11 occupied residential property allocable to each taxing authority
12 within counties of the first classification having a population
13 of nine hundred thousand or more, one-tenth of one percent of all
14 ad valorem property tax collections allocable to each taxing
15 authority within all other counties of the first classification
16 and one-fifth of one percent of all ad valorem property tax
17 collections allocable to each taxing authority within counties of
18 the second, third and fourth classifications, any county of the
19 first classification with more than thirty-nine thousand seven
20 hundred but less than thirty-nine thousand eight hundred
21 inhabitants, and any county of the first classification having a
22 population of at least eighty-two thousand inhabitants, but less
23 than eighty-two thousand one hundred inhabitants, in addition to
24 the amount prescribed by section 137.720 shall be deposited into
25 the assessment fund of the county for collection costs.

26 7. For purposes of figuring the tax due on such newly
27 constructed residential property, the assessor or the board of
28 equalization shall place the full amount of the assessed

1 valuation on the tax book upon the first day of the month
2 following occupancy. Such assessed valuation shall be taxed for
3 each month of the year following such date at its new assessed
4 valuation, and for each month of the year preceding such date at
5 its previous valuation. The percentage derived from dividing the
6 number of months at which the property is taxed at its new
7 valuation by twelve shall be applied to the total assessed
8 valuation of the new construction and improvements, and such
9 product shall be included in the next year's base for the
10 purposes of figuring the next year's tax levy rollback. The
11 untaxed percentage shall be considered as new construction and
12 improvements in the following year and shall be exempt from the
13 rollback provisions.

14 8. Subsections 1 to 7 of this section shall be effective in
15 those counties including any city not within a county in which
16 the governing body of such county elects to adopt a proposal to
17 implement the provisions of subsections 1 to 7 of this section.
18 Such subsections shall become effective in such county on the
19 first day of January of the year following such election.

20 9. In any county which adopts the provisions of subsections
21 1 to 7 of this section prior to the first day of June in any year
22 pursuant to subsection 8 of this section, the assessor of such
23 county shall, upon application of the property owner, remove on a
24 pro rata basis from the tax book for the current year any
25 residential real property improvements destroyed by a natural
26 disaster if such property is unoccupied and uninhabitable due to
27 such destruction. On or after the first day of June, the board
28 of equalization shall perform such duties. Any person claiming

1 such destroyed property shall provide a list of such destroyed
2 property to the county assessor. The assessor shall have
3 available a supply of appropriate forms on which the claim shall
4 be made. The assessor may verify all such destroyed property
5 listed to ensure that the person made a correct statement. Any
6 person who completes such a list and, with intent to defraud,
7 includes property on the list that was not destroyed by a natural
8 disaster shall, in addition to any other penalties provided by
9 law, be assessed double the value of any property fraudulently
10 listed. The list shall be filed by the assessor, after he has
11 provided a copy of the list to the county collector and the board
12 of equalization, in the office of the county clerk who, after
13 entering the filing thereof, shall preserve and safely keep them.
14 If the assessor, subsequent to such destruction, considers such
15 property occupied as provided in subsection 2 of this section,
16 the assessor shall consider such property new construction and
17 improvements and shall assess such property accordingly as
18 provided in subsection 1 of this section. For the purposes of
19 this section, the term "natural disaster" means any disaster due
20 to natural causes such as tornado, fire, flood, or earthquake.

21 10. Any political subdivision may recover the loss of
22 revenue caused by subsection 9 of this section by adjusting the
23 rate of taxation, to the extent previously authorized by the
24 voters of such political subdivision, for the tax year
25 immediately following the year of such destruction in an amount
26 not to exceed the loss of revenue caused by this section.

27 139.031. 1. Any taxpayer may protest all or any part of
28 any taxes assessed against [him] such taxpayer, except taxes

1 collected by the director of revenue of Missouri. Any such
2 taxpayer desiring to pay any taxes under protest shall, at the
3 time of paying such taxes, file with the collector a written
4 statement setting forth the grounds on which [his] such
5 taxpayer's protest is based. The statement shall include the
6 true value in money claimed by the taxpayer if disputed.

7 2. Upon receiving payment of taxes under protest pursuant
8 to subsection 1 of this section or upon receiving notice of an
9 appeal pursuant to section 138.430, RSMo, the collector shall
10 disburse to the proper official all portions of taxes not
11 disputed by the taxpayer and shall impound in a separate fund all
12 portions of such taxes which are in dispute. Except as provided
13 in subsection 3 of this section, every taxpayer protesting the
14 payment of taxes shall, within ninety days after filing [his]
15 such taxpayer's protest, commence an action against the collector
16 by filing a petition for the recovery of the amount protested in
17 the circuit court of the county in which the collector maintains
18 [his] an office. If any taxpayer so protesting [his] such
19 taxpayer's taxes shall fail to commence an action in the circuit
20 court for the recovery of the taxes protested within the time
21 prescribed in this subsection, such protest shall become null and
22 void and of no effect, and the collector shall then disburse to
23 the proper official the taxes impounded, and any interest earned
24 thereon, as provided above in this subsection.

25 3. No action against the collector shall be commenced by
26 any taxpayer who has, for the tax year in issue, filed with the
27 state tax commission a timely and proper appeal of the protested
28 taxes. Such taxpayer shall notify the collector of the appeal in

1 the written statement required by subsection 1 of this section.
2 The taxes so protested shall be impounded in a separate fund and
3 the commission may order all or any part of such taxes refunded
4 to the taxpayer, or may authorize the collector to release and
5 disburse all or any part of such taxes in its decision and order
6 issued pursuant to chapter 138, RSMo.

7 4. Trial of the action in the circuit court shall be in the
8 manner prescribed for nonjury civil proceedings, and, after
9 determination of the issues, the court shall make such orders as
10 may be just and equitable to refund to the taxpayer all or any
11 part of the taxes paid under protest, together with any interest
12 earned thereon, or to authorize the collector to release and
13 disburse all or any part of the impounded taxes, and any interest
14 earned thereon, to the appropriate officials of the taxing
15 authorities. Either party to the proceedings may appeal the
16 determination of the circuit court.

17 5. All the county collectors of taxes, and the collector of
18 taxes in any city not within a county, shall, upon written
19 application of a taxpayer, refund any real or tangible personal
20 property tax mistakenly or erroneously paid in whole or in part
21 to the collector, or shall credit against the taxpayer's tax
22 liability in the following taxable year and subsequent
23 consecutive taxable years until the taxpayer has received credit
24 in full for any [real or personal property] tax mistakenly or
25 erroneously levied against the taxpayer and collected in whole or
26 in part by the collector, or, if the taxpayer has no tax
27 liability to such collector in the immediately following taxable
28 year, refund any balance remaining on tax mistakenly or

1 erroneously paid in whole or in part to the collector. Such
2 application shall be filed within one year for personal property
3 taxes and three years for real property taxes after the tax is
4 mistakenly or erroneously paid. [The governing body, or other
5 appropriate body or official of the county or city not within a
6 county, shall make available to the collector funds necessary to
7 make refunds under this subsection by issuing warrants upon the
8 fund to which the mistaken or erroneous payment has been
9 credited, or otherwise.]

10 6. No taxpayer shall receive any interest on any money paid
11 in by [him] such taxpayer erroneously.

12 7. All protested taxes shall be invested by the collector
13 in the same manner as assets specified in section 30.260, RSMo,
14 for investment of state moneys. A taxpayer who is entitled to a
15 refund of protested taxes shall also receive the interest earned
16 on the investment thereof. If the collector is ordered to
17 release and disburse all or part of the taxes paid under protest
18 to the proper official, such taxes shall be disbursed along with
19 the proportional amount of interest earned on the investment of
20 the taxes due the particular taxing authority.

21 8. On or before March first next following the delinquent
22 date of taxes paid under protest, the county collector shall
23 notify any taxing authority of the taxes paid under protest which
24 would be received by such taxing authority if the funds were not
25 the subject of a protest. Any taxing authority may apply to the
26 circuit court of the county or city not within a county in which
27 a collector has impounded protested taxes [under] pursuant to
28 this section and, upon a satisfactory showing that such taxing

1 authority would receive such impounded tax funds if they were not
2 the subject of a protest and that such taxing authority has the
3 financial ability and legal capacity to repay such impounded tax
4 funds in the event a decision ordering a refund to the taxpayer
5 is subsequently made, the circuit court shall order, pendente
6 lite, the disbursal of all or any part of such impounded tax
7 funds to such taxing authority. The circuit court issuing an
8 order [under] pursuant to this subsection shall retain
9 jurisdiction of such matter for further proceedings, if any, to
10 compel restitution of such tax funds to the taxpayer. In the
11 event that any protested tax funds refunded to a taxpayer were
12 disbursed to a taxing authority [under] pursuant to this
13 subsection instead of being held and invested by the collector
14 [under] pursuant to subsection 7 of this section, such taxing
15 authority shall pay the taxpayer entitled to the refund of such
16 protested taxes the same amount of interest, as determined by the
17 circuit court having jurisdiction in the matter, such protested
18 taxes would have earned if they had been held and invested by the
19 collector.

20 9. No appeal filed shall stay any order of refund, but the
21 decision filed by any court of last review modifying the circuit
22 court's or state tax commission's determination pertaining to the
23 amount of refund shall be binding on the parties, and the
24 decision rendered shall be complied with by the party affected by
25 any modification within ninety days of the date of such decision.
26 No taxpayer shall receive any interest on any additional award of
27 refund, and the collector shall not receive any interest on any
28 ordered return of refund in whole or in part.